

## Message Text

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ACTION EB-07

INFO OCT-01 CIAE-00 COME-00 DODE-00 NRC-05 NSAE-00 USIA-06

TRSE-00 EUR-12 ERDA-05 ISO-00 /036 W

----- 127486

R 191658Z OCT 76

FM USMISSION OECD PARIS

TO SECSTATE WASH DC 3835

C O N F I D E N T I A L SECTION 01 OF 02 OECD PARIS 30864

EXCON

E.O. 11652: XGDS1

TAGS: ESTC, COCOM

SUBJECT: GSP/KONGSBERG CASE--IL 1091

REF: OECD PARIS 29736

1. DEPUTY US DEL, KRATZ, AND MURPHY MET WITH FRENCH DEL ALLEX AND EXPERT GAMET OCT 14 TO DISCUSS GSP/KONGSBERG TRANSACTION AGAIN, SINCE FRENCH LETTER OF OCTOBER 6, AS SET FORTH IN REFTEL, DID NOT PROVIDE A SATISFACTORY RESPONSE TO US CONCERNS.

2. US SIDE OPENED MEETING BY STATING THAT PURPOSE OF JUNE 23 AND JULY 2 MEETINGS WITH FRENCH DELEGATION WAS TO OBTAIN ANSWERS TO US INQUIRIES REGARDING GSP/KONGSBERG TRANSACTION AND TO EXPRESS US CONCERN THAT FRENCH HAD NOT SOUGHT COCOM APPROVAL FOR TRANSACTIONS, WHICH, IF FACTS WERE AS US UNDERSTOOD THEM, WAS REQUIRED. US SIDE ALSO STATED THAT PURPOSE OF MEETINGS WERE NOT, AS FRENCH INDICATED IN THEIR OCTOBER 6 LETTER, TO PREPARE FOR FUTURE DISCUSSIONS THAT WOULD BE HELD LATER IN COCOM.

3. THE US TEAM PUT SEVERAL QUESTIONS TO THE FRENCH IN ORDER TO CLARIFY FACTS OF TRANSACTION AND FRENCH VIEW THEREOF. FRENCH INDICATED THAT: A) TRANSACTION IN-  
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VOLVED SALE OF 19 GSP MACHINE TOOLS (3 AXIS) AND 19

KONGSBERG 300 CNC CONTROL SYSTEMS; B) THE CONTROL SYSTEMS WILL NOT, ACCORDING TO FRENCH, BE CONNECTED TO THE MACHINE TOOLS, BUT RATHER, WILL BE LOCATED IN A SEPARATE AREA WHERE THEY WILL BE USED TO MAKE PERFORATED TAPES. THIS TAPE WILL BE PUT ON A TAPE READOUT M SYSTEM CONNECTED TO EACH MACHINE TOOL. GAMET WAS UNABLE TO EXPLAIN WHY SOVIETS WANTED TO USE SPECIALLY DESIGNED AND EXPENSIVE KONGSBERG CNC CONTROL SYSTEMS FOR MAKING ONLY TAPES OR WHY 19 OF THESE SYSTEMS (ONE FOR EACH MACHINE) WOULD BE NEEDED WHEN ONE SYSTEM COULD PROVIDE TAPES FOR ALL 19 MACHINES; C) FRENCH MAINTAINED KONGSBERG CNC 300 WAS NOT EMBARGOED BY IL 1091(A) BECAUSE CONTROL SYSTEM DID NOT MEET TERMS OF STATEMENT OF UNDERSTANDING TO IL 1091 SINCE NO INTERFACE WAS BEING PROVIDED IN THE TRANSACTION. GAMET WAS UNCERTAIN, BUT BELIEVED NO SOFTWARE WAS BEING FURNISHED OTHER THAN FOR MAKING THE PERFORATED TAPES. FRENCH WOULD NOT ADMIT THAT THIS TRANSACTION WITHOUT INTERFACE VIOLATED SPIRIT OF 1091 EMBARGO DEFINITION. THEY SEEMED QUITE CONCERNED WHEN TOLD THAT KONGSBERG HAD INFORMED US THAT UNITS SHIPPED TO FRANCE INCLUDED SOFTWARE AND INTERFACE. FRENCH PROMISED TO CHECK THIS OUT WITH GSP AND REPORT BACK "IN ABOUT THREE WEEKS."; D) WHEN ASKED WHETHER THEY COULD AGREE WITH THE STATEMENT IN PARAGRAPH A(5) OF COCOM DOC (76) 1091/4 THAT KONGSBERG MODELS 300 AND 2000 CNC CONTROL SYSTEMS WERE EMBARGOED BY IL 1091, THEY RESPONDED BY STATING THAT FRENCH AUTHORITIES HAD AGREED TO INTERPRETATIVE NOTE PROPOSED BY NORWEGIANS AND HAD AGREED TO CONSIDER OTHER CONTENTS OF THAT REPORT ONLY AS BASIS FOR FURTHER DISCUSSION ON 1091 IN COCOM. US SIDE AGREED THAT IF FRENCH DID NOT BELIEVE THESE CONTROL SYSTEMS WERE EMBARGOED, IT WOULD INDEED BE NECESSARY TO DISCUSS THIS MATTER SOON IN THE COMMITTEE IN ORDER TO RESOLVE THIS DIFFERENCE OF INTERPRETATION. FRENCH AGREED THAT THEY WOULD BE PREPARED TO DISCUSS GENERAL REFORMULATION OF IL 1091 DEFINITION; E) THE FRENCH DID NOT KNOW, OR IN ANY CASE THEY REFUSED TO SAY, WHETHER ANY OF THE MACHINES AND CONTROL SYSTEMS HAD ALREADY BEEN EXPORTED.

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4. COMMENT: IT SEEMS OBVIOUS THAT FRENCH HAVE NO INTENTION OF BRINGING THIS TRANSACTION TO COCOM AND THAT THEY ARE SEARCHING FOR WAYS TO JUSTIFY THEIR DECISION. DURING JUNE AND JULY MEETINGS, GAMET TRIED TO RATIONALIZE THEIR POSITION ON BASIC THAT KONGSBERG CNC 300 CONTROL SYSTEM DID NOT FALL WITHIN THE AMBIT OF 1091, BUT RATHER WAS AN EXPORTABLE COMPUTER UNDER IL 1565. THEY NOW HAVE SHIFTED THEIR POSITION SOMEWHAT BY ARGUING

THAT KONGSBERG SYSTEMS ARE NOT "SOFTWARED" SYSTEMS AS

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ACTION EB-07

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TO SECSTATE WASH DC 3836

C O N F I D E N T I A L SECTION 02 OF 02 OECD PARIS 30864

DEFINED IN THE SOU TO 1091 AND THAT THEY WILL NOT BE CONNECTED TO THE MACHINE TOOLS EXCEPT VIA A PERFORATED TAPE. GAMET GAVE THE IMPRESSION HE WAS NOT CONVINCED BY THE ARGUMENTS HE WAS MAKING. FOR THE MOST PART, HIS PERFORMANCE WAS PURE OBFUSCATION OF THE RELEVANT ISSUES UNDER DISCUSSION. THE US TEAM COULD ONLY CONCLUDE FROM THE DISCUSSION THAT DESPITE FRENCH ATTEMPTS TO INTERPRET THEY WAY OUT FROM UNDER 1091, THEY UNDERSTAND THE RESTRICTIONS IMPOSED BY THE DEFINITION, BUT DO NOT WISH TO ABIDE BY THEM.

5. ON ANOTHER SUBJECT, GAMET ASKED IF US BELIEVED THAT COMPUTERIZED CONTROL SYSTEMS USED IN CONJUNCTION WITH ROBOTS WERE EMBARGOED BY 1091. HE MENTIONED THE UNIMAT ROBOT. WHEN US RESPONDED THAT THIS SUBJECT OUGHT TO BE DISCUSSED AT AN EARLY TWG OF THE COMMITTEE, GAMET RECALLED THAT US HAD STATED DURING 1971 LIST REVIEW THAT ROBOTS WERE NOT CAUGHT BY IL 1091. SINCE THIS MATTER WAS RAISED PREVIOUSLY BY GERMANS AND NOW BY FRENCH, IT APPEARS THAT US SHOULD ADDRESS THIS ISSUE PROMPTLY BY SETTING UP RELEVANT TTG AND TAC COMMITTEES IN USG.  
KATZ

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